

VERNMENT



STATEMENTS AND SPEECHES

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No. 51/24 FOREIGN TRADE IN A TIME OF PARTIAL PEACE

An address by the Secretary of State for External Affairs, Mr. L.B. Pearson, delivered at the Canadian International Trade Fair in Toronto, on June 5, 1951.

...During and after the last war, Canada, together with many of the nations of the world, laid plans for the expansion of international trade on broad and equitable principles. In the Havana Charter and in the General Agreement on Tariffs and Trade, we drew up a basis of international co-operation on commercial matters. Under the latter Agreement, which contains many of the principles of the Havana Charter, a concerted attack has been launched against barriers to trade. At Bretton Woods we agreed on devising a comprehensive plan for stabilizing world currencies to prevent the wide fluctuations in exchange rates which, after the first World War, and again in the 30's, proved so disruptive to international commerce.

These were the commercial policies of peace. They were intended to set the atmosphere in which mutually beneficial trade would develop multilaterally over the widest possible area. In Canada, these policies fitted well into a peaceful foreign policy formulated in accordance with the principles of the United Nations Charter. We continue to subscribe to these policies, and in general have opposed, in times of peace, any attempt to modify them to further narrower political objectives.

The commercial policies of war are of a different order. The objectives of such policies in wartime cease to be based on broad principles of mutual improvement of standards of living among trading nations and are formulated in the narrow but essential context of defeating the enemy. I need scarcely recall for many of you who are here tonight the disruption that war brings to peacetime trade, nor how production and commerce become instruments of war, and trade is directed into channels which will best contribute to victory. The object of such policies is to weaken the enemy and to strengthen our own economic basis for military operations.

We are now in a new situation, intermediate between peace and all-out warfare, and it has been necessary to review the relationship between commercial and diplomatic foreign policy in the light of that situation. Economic policies in a period of three-quarters peace, one-quarter war, are far more difficult than those of total peace or total war since partial peace, as I interpret it, implies the hope that total war will not break out. The diplomacy of partial peace, therefore is a struggle for position;